

## AGREEMENT

between

The Power Reactor and Nuclear Fuel Development Corporation of Japan (PNC)  
and

The United States Department of Energy (DOE)

for Cooperation in Research and Development Concerning Nuclear  
Material Control and Accounting Measures for Safeguards

### Article I--Objective

Cooperation between the DOE of the United States and the PNC of Japan (the Parties) shall be directed at improving the efficiency and effectiveness of equipment and techniques for safeguards to implement policies and procedures pursuant to the Non-Proliferation Treaty.

### Article II--Areas of Cooperation

Cooperation under this Agreement shall include: research, development, demonstration, and evaluation of new equipment and techniques. Detailed areas of cooperation shall be defined in Specific Memoranda of Agreement (SMAs) subordinate to this Agreement. One such area shall include the application of remote controlled nondestructive assay techniques to the PNC Plutonium Fuel Production Facility (PFPF) and authentication techniques for containment and surveillance systems at the PFPF.

### Article III--Methods of Cooperation

Cooperation under this Agreement may include but is not limited to the following forms:

- A. Exchange of scientists, engineers, and other specialists for participation in agreed research, development, test, demonstration, analysis, design, and experimental joint activities conducted in scientific centers, laboratories, engineering offices, and facilities of each of the parties or its contractors for agreed periods;
- B. Exchange or loan of samples, materials, equipment, and components for testing;
- C. Exchange of scientific and technical information including results and methods of research and development; and
- D. Joint projects in which the Parties agree to share the work and/or costs. Each said joint project shall be the subject of a written SMA between the Parties.

As mutually agreed in advance by the Parties, the costs of various activities under this Agreement may either be shared by the Parties with each Party bearing all the costs of its participation in the activity, or one Party may make cash contributions toward the costs of the other Party in order to ensure a mutually equitable balance of costs and benefits.

#### Article IV--Management

- A. All activities to be carried out under this Agreement shall be approved and monitored by a Permanent Coordinating Group (PCG). The PCG shall consist of equal numbers of representatives from each Party. As mutually agreed, the PCG shall meet to evaluate the status of cooperation under this Agreement. Members of the PCG shall invite to such meetings members of other organizations in their respective countries which have an interest in the results of the research and development activities of the joint program. Such meetings may be held alternately in Japan and the United States unless otherwise mutually agreed by the Parties.
- B. Technical management of the cooperation under this Agreement shall be carried out by Project Leaders designated by the Coordinators. Project Leaders shall be responsible for the working contacts between the Parties in their respective areas of cooperation.

#### Article V--Information

- A. The Parties shall support the widest possible dissemination of information provided or exchanged under this Agreement subject to the need to protect proprietary information, and subject to patent and to copyright restrictions.
- B. Use of proprietary information.

##### Definitions:

- (i) The term "information" means scientific or technical data, results or methods of research and development, and any other information intended to be provided or exchanged under this Agreement.
- (ii) The term "proprietary information" means information developed prior to or outside this Agreement which contains trade secrets or knowhow or commercial or financial information which is privileged or confidential, and may only include such information which:
  - (a) has been held in confidence by its owner;
  - (b) is of a type which is customarily held in confidence by its owner;

- (c) has not been transmitted by the transmitting Party to other entities (including the receiving Party) except on the basis that it be held in confidence; and
- (d) is not otherwise available to the receiving Party from another source without restriction on its further dissemination.

C. Procedures

- (i) A Party receiving proprietary information pursuant to this Agreement shall respect the privileged nature thereof. Any document which contains proprietary information shall be clearly marked by the providing Party with the following (or substantially similar) restrictive legend:

"This document contains proprietary information furnished in confidence under an agreement between the U.S. Department of Energy and the Power Reactor and Nuclear Fuel Development Corporation of Japan of \_\_\_\_\_ and shall not be disseminated outside these organizations, their contractors, and the concerned departments and agencies of the Governments of the United States and Japan without prior approval of \_\_\_\_\_."

This notice shall be marked on any reproduction hereof, in whole or in part. These limitations shall automatically terminate when this information is disclosed by the owner without restriction."

- (ii) Proprietary information received in confidence under this Agreement may be disseminated by the receiving Party to:
  - (a) persons within or employed by the receiving Party and to concerned Government departments and Government agencies of the receiving Party; and
  - (b) prime contractors or subcontractors of the receiving Party located within the geographical limits of the Party's nation, for use only within the framework of their contracts with the receiving Party in work relating to the subject matter of the proprietary information; provided that any proprietary information so disseminated shall be pursuant to an Agreement of confidentiality and shall be marked with a restrictive legend substantially identical to that appearing in subparagraph V. C. (i) above.
- (iii) With the prior written consent of the Party providing proprietary information under this Agreement, the receiving Party may disseminate such proprietary information more widely than otherwise permitted in subparagraph V. C. (ii) above. The Parties shall cooperate with each other in developing procedures for requesting and obtaining the prior written consent for such wider dissemination, and each Party shall grant such approval to the extent permitted by its national policies, regulations, and laws.

- D. If one of the Parties becomes aware that it will be, or may reasonably be expected to become unable to meet the non-dissemination provisions of this article, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.
- E. Information arising from seminars and other meetings arranged under this Agreement and information arising from the attachments of staff shall be treated by the Parties according to the principles of this Agreement provided, however, no proprietary information orally communicated shall be subject to the limited disclosure requirements of this article unless the individual communicating such information places the recipient on notice as to the proprietary character of the information communicated at the time of or prior to such communication.
- F. Information transmitted by one Party to the other Party under this Agreement shall be accurate to the best knowledge and belief of the transmitting Party, but the transmitting Party does not warrant the suitability of the information transmitted for any particular use or application by the receiving Party or by any third Party. Information developed jointly by the Parties shall be accurate to the best knowledge and belief of both Parties. Neither Party warrants the accuracy of the jointly developed information nor its suitability for any particular use or application by either Party or by any third Party.

#### Article VI--Patents

- A. With respect to any invention or discovery made or conceived in the course of or under this Agreement:
  - (i) If made or conceived by personnel of one Party (the Assigning Party) or its contractors while assigned to the other Party (the Receiving Party) or its contractors in connection with exchanges of scientists, engineers, or other specialists:
    - (a) The Receiving Party shall acquire all rights, title, and interest in and to any such invention or discovery in its own country and in third countries, subject to a nonexclusive, irrevocable, royalty-free license to the Assigning Party, its government, and its nationals designated by it in all such countries.
    - (b) The Assigning Party shall acquire all rights, title, and interest in and to any such invention or discovery in its own country, subject to a nonexclusive, irrevocable, royalty-free license to the Receiving Party, its government, and its nationals designated by it.
  - (ii) If made or conceived by a Party or its contractors as a direct result of employing information which has been communicated to it under this Agreement by the other Party or its contractors or communicated during seminars or other joint meetings, the Party making the invention shall acquire all rights, title, and interest in and to such inventions or discoveries in all countries, subject to a grant to the other Party, its government, and its nationals designated by it of a royalty-free nonexclusive, irrevocable license in all countries.

- (iii) With regard to other specific forms of cooperation, the Parties shall provide for the appropriate distribution of rights to inventions or discoveries resulting from such cooperation. In general, however, each Party should normally own the rights to such inventions in its country subject to a nonexclusive, irrevocable, royalty-free license to the other Party, its government, and its nationals designated by it, and the right in third countries should be agreed to by the Parties on an equitable basis.

- B. Each Party shall, without prejudice to any rights of inventors or authors under its national laws, take all necessary steps to provide the cooperation from its inventors or authors required to carry out the provisions of this Agreement. Each Party shall assume the responsibility to pay awards and compensation required to be paid to its own nationals according to its own laws.

#### Article VII--Copyrights

Copyrights of the Parties or cooperating organizations and persons shall be accorded treatment consistent with internationally recognized standards of protection. As to copyrights on materials within the scope of above Article II owned or controlled by a Party, that Party shall make efforts to grant to the other Party a license to reproduce copyrighted materials.

#### Article VIII--Exchange of Equipment

Both Parties agree that in event equipment is to be provided by a Supplying Party to a Receiving Party for use in activities under this Agreement, the following provisions shall apply covering the shipment and use of agreed equipment:

- A. The Supplying Party shall supply as soon as possible a detailed list of the equipment to be provided together with the relevant specifications and technical and informational documentation.
- B. Equipment and spare parts provided by the Supplying Party under this Agreement shall become the property of the Receiving Party unless other arrangements are mutually agreed in advance and in writing.
- C. Equipment provided by the Supplying Party under this Agreement shall be brought into operation by the Supplying Party at the establishment of the Receiving Party unless other arrangements are mutually agreed in advance and in writing.
- D. Responsibility and expenses for the transport of equipment and materials from the Supplying Party by plane or ship to an authorized port of entry of the Receiving Party convenient to the ultimate destination, and also responsibility for the safekeeping and insurance en route, shall rest with the Supplying Party.

- E. All equipment exchanged between the Parties for carrying out joint projects under this Agreement shall be considered to be of a scientific and not a commercial character.
- F. The Receiving Party shall be responsible for safekeeping and insurance en route from the authorized port of entry to the ultimate destination.

#### Article IX--Exchange of Staff

The following provisions shall apply concerning exchanges of staff:

- A. Whenever an exchange of staff is contemplated each Party shall ensure the selection of adequate staff with skills and competence necessary to conduct the activities planned under this Agreement. Each such attachment of staff shall be mutually agreed in advance by an exchange of letters between the Parties, referencing this Agreement.
- B. Each Party shall be responsible for the salaries, insurance, and allowances to be paid to its staff.
- C. Each Party shall pay for the travel and living expenses of its staff when staying at the establishment of the host Party unless otherwise agreed.
- D. The host establishment shall arrange for adequate accommodations for the other Party's staff and their families on a mutually agreeable reciprocal basis.
- E. Each Party shall provide all necessary assistance to the staff of the other Party as regards administrative formalities.
- F. The staff of each Party shall conform to the general rules of work and safety regulations in force at the host establishment.

#### Article X--Damages

Both Parties agree that compensation for damages incurred under this Agreement shall be in accordance with the laws of the countries of the Parties.

#### Article XI--Industrial Property

The provisions of this Agreement shall not affect the rights or duties of the Parties specified theretofore under other agreements or arrangements. This Agreement also in no way precludes commercial firms or other legally constituted enterprises in each of the two countries from engaging in commercial dealings in accordance with the applicable laws of each country; nor does it preclude the Parties from engaging in activities with other governments or persons, except that industrial property of a proprietary nature shall have limited dissemination as set forth in Articles V and VI of this Agreement.

## Article XII--Disclaimer

All equipment supplied and information transmitted by one Party to the other Party under this Agreement shall be appropriate and accurate to the best knowledge and belief of the supplying and transmitting Party, but the Party does not warrant the accuracy, completeness, usefulness, or suitability of any equipment or services supplied or information or data transmitted for any particular use or application by the receiving Party or by any third Party. All equipment and information developed jointly by the Parties shall be accurate to the best knowledge and belief of both Parties. Neither Party warrants the accuracy of the jointly developed equipment and information nor its suitability for any particular use or application by either Party or by any third Party.

## Article XIII--Observation

If one Party finds it necessary, the Party has a right to observe activities under this Agreement in a facility of the other Party, subject to the approval of the other Party. A Receiving Party shall have a right to inspect equipment to be supplied at the facility of the Shipping Party before shipment.

## Article XIV--Legal Provisions

Each Party's activities under this Agreement shall be in accordance with its national laws and regulations and the applicable Agreement for Peaceful Nuclear Cooperation between the Governments of the Parties. All questions related to this Agreement shall be settled by the Parties by mutual agreement.

## Article XV--Finance

A Party (Contributing Party) may make cash contributions to the other Party (the Performing Party) as mutually agreed, to support activities directed at improving the application of safeguards techniques to a facility of the Contributing Party. Arrangements for specific contributions are to be incorporated as mutually agreed in SMAs under Article II of this Agreement. The ability of each Party to carry out obligations under this Agreement is subject to the appropriation of necessary funds by the Governments of the United States and Japan.

## Article XVI--Duration and Termination

This Agreement shall enter into force upon signature and shall continue for a 5 year period, and may be extended or modified by mutual consent of the Parties. This Agreement may be terminated upon 1 year advance notification in writing by the Party seeking to terminate. If an activity in an SMA funded by a Contributing Party is terminated prior to completion, the Performing Party shall refund to the Contributing Party the uncosted remainder of its cash

contribution, excluding the cost of any mutually agreed close-out costs for the activity. Such termination shall be without prejudice to the rights which may have accrued under this Agreement to either Party up to the date of such termination.

Executed at \_\_\_\_\_ on this 31 of March 1988

For the United States  
Department of Energy

For the Power Reactor and Nuclear  
Fuel Development Corporation of Japan

Name: F. B. Dillert  
Acting Deputy Assistant  
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Name: S. Tanikada  
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